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## **PRESS RELEASE**

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**FOR IMMEDIATE RELEASE**  
**February 20, 2004**

For Information Contact Public Affairs  
**HARRIET BERNICK**  
Telephone: (602) 514-7736  
Pager: (602) 356-0004

### **INTERNATIONAL FRAUDULENT AIRCRAFT PARTS RING INDICTED**

**PHOENIX, ARIZONA** -- The United States Attorney's Office for the District of Arizona announced that on Wednesday, February 18, 2004 a federal grand jury at Phoenix, Arizona, returned a 55 count indictment against Joseph Patrick Smith, Jr, 67 years old, along with his two sons Joseph Patrick Smith, III, 43 years old and Thomas Edward Smith, 39 years old, and Cynthia Anne Macaulay, 41 years old. Warrants were issued for Smith, Jr. and his son, Joseph Smith, III, who are believed to reside in Ireland. The last known whereabouts of Thomas Smith was in New Market, Maryland, and Ms. Macaulay is believed to reside in Seattle, Washington. They have been summoned for an arraignment before a United States Magistrate Judge on March 3, 2004.

The indictment alleges that between July 1998 and October 2000, the Smiths operated Smyth Aerospace Manufacturing. Ltd., with offices in Shannon, Ireland and Phoenix, Arizona. The company, under the direction of its managing director, Joseph Smith, Jr., purchased used aircraft parts, which were refurbished by repainting and replating, and sold as certified, new original equipment manufacturer's surplus. The indictment also alleges that the company via Joseph Smith, III, arranged for the manufacture of aircraft parts from secondary sources using substandard materials which were also sold as certified, new original

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equipment manufacturer's surplus items. The company used a world wide aircraft part locator system to advertise the misrepresented parts for sale. Several misrepresented aircraft parts were purchased during the investigation and determined by the original manufacturer to be counterfeit parts. The parts were designed for the engines used in the United States Air Force T-37 and T-38 jet trainer aircraft, the NASA aircraft fleet and the commercial Learjet.

The federal indictment charges the defendants with multiple violations Title 18 of the United States Code, Section 1341, Mail Fraud; Section 1343, Wire Fraud; Section 38, Aircraft Part Fraud and Section 371, Conspiracy to Commit the above offenses.

A conviction for Aircraft Part Fraud carries a maximum penalty of 10 years imprisonment, a \$250,000.00 fine or both, per violation, and the other offenses are punishable up to 5 years in prison and a \$250,000.00 fine or both, per violation.

An indictment is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

The investigation preceding the indictment was conducted jointly by the Federal Bureau of Investigation, the Air Force Office of Special Investigations, the Defense Criminal Investigative Service, the Office of Inspector General of the U.S. Department of Transportation, and the National Aeronautics and Space Administration. Also cooperating in the investigation was the Irish National Police, who assisted with the execution of search warrant on the company's warehouse and offices in Ireland in October 2000.

The prosecution is being handled by Richard I. Mesh, Assistant United States Attorney, District of Arizona, Phoenix, Arizona.

CASE NUMBER: CR-04-0162-PHX

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